

Final Statement of Reasons for
Adoption of Proposed Amendments to California Code of Regulations,
Title 18, Section 462.040, *Change in Ownership - Joint Tenancies*

Update of Information in the Initial Statement of Reasons

The factual basis, specific purpose, and necessity for, the problems to be addressed by, and the anticipated benefits from the proposed amendments to California Code of Regulations, title 18, section (Property Tax Rule) 462.040, *Change in Ownership – Joint Tenancies*, are the same as provided in the initial statement of reasons. However, the original proposed text of the amendments to Property Tax Rule 462.040 inadvertently omitted the underline that should have illustrated the addition of the closing quotation mark around the reference to “original transferor” in the fifth sentence of subdivision (b)(1) and inadvertently showed the strikeout of the word “of” in the fifth sentence in renumbered example 9. Therefore, the State Board of Equalization (Board) made nonsubstantial and solely grammatical changes to the final text of the adopted amendments to Property Tax Rule 462.040, pursuant to Government Code section 11346.8, subdivision (c), in order to underline the closing quotation mark and delete the strikeouts from the word “of.” The Board did not make any other changes to the text of the proposed amendments to Property Tax Rule 462.040.

The adoption of the proposed amendments to Property Tax Rule 462.040 was not mandated by federal law or regulations and there is no federal regulation that is identical to Property Tax Rule 462.040.

The Board did not rely on any data or any technical, theoretical, or empirical study, report, or similar document in proposing or adopting the amendments to Property Tax Rule 462.040 that was not identified in the initial statement of reasons, or which was otherwise not identified or made available for public review prior to the close of the public comment period.

In addition, the factual basis has not changed for the Board’s initial determination that the proposed regulatory action will not have a significant adverse economic impact on business and the Board’s economic impact analysis, which determined that the Board’s proposed regulatory action:

- Will neither create nor eliminate jobs in the State of California;
- Nor result in the elimination of existing businesses;
- Nor create or expand business in the State of California; and
- Will not affect the health and welfare of California residents, worker safety, or the state’s environment.

The proposed amendments may affect small business.

No Mandate on Local Agencies or School Districts

The Board has determined that the adoption of the proposed amendments to Property Tax Rule 462.040 does not impose a mandate on local agencies or school districts.

Public Comments

The Board received one written comment, which expressed the Los Angeles County Assessor's Office's agreement with the proposed amendments to Property Tax Rule 462.040. Also, Janet Lewis, Supervising Real Property Appraiser for the Sacramento County Assessor's Office, and Barbara Edginton, Assessment Manager for the San Luis Obispo County Assessor's Office, appeared at the public hearing on June 11, 2013, and expressed their support for the Board's proposed amendments to Property Tax Rule 462.040. No other interested parties commented on the proposed regulatory action.

Determinations Regarding Alternatives

By its motion, the Board determined that no alternative to the proposed amendments to Property Tax Rule 462.040 would be more effective in carrying out the purposes for which the amendments are proposed, would be as effective and less burdensome to affected private persons than the adopted amendments, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

Further, the Board did not reject any reasonable alternatives to the proposed amendments to Property Tax Rule 462.040 that would lessen any adverse impact the proposed amendments may have on small business or that would be less burdensome and equally effective in achieving the purposes of the proposed amendments. No reasonable alternative has been identified and brought to the Board's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

Furthermore, the Board anticipates that the proposed amendments will promote fairness throughout California's 58 counties by clarifying the types of transfers that create "original transferor" status within the meaning of Revenue and Taxation Code (RTC) section 65 and giving the public, local boards of equalization and assessment appeals boards, and county assessors additional notice regarding the provisions of RTC sections 62, subdivision (p), and 62.3, and Family Code section 297.5.